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NASA Procedural Requirements

COMPLIANCE IS MANDATORY

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| [TOC](#) | [Preface](#) | [Chapter1](#) | [Chapter2](#) | [Chapter3](#) | [Chapter4](#) | [Chapter5](#) |
[AppendixA](#) | [AppendixB](#) | [AppendixC](#) | [AppendixD](#) | [AppendixE](#) | [AppendixF](#)
| [AppendixG](#) | [AppendixH](#) | [AppendixI](#) | [ALL](#) |

Chapter 3: Equipment Administrative Procedures and Use

3.1 Equipment Control

3.1.1 Purpose. This chapter is intended primarily for equipment management personnel. It applies to Center-held equipment and sets forth the administrative requirements for establishing and maintaining the following:

- a. Equipment identification and accountability.
- b. Procedures for reporting the loss, damage, destruction, or theft of Government property.
- c. Equipment loan procedures.
- d. Offsite use of Government equipment by employees.

3.1.2 Controlled Equipment Classification and Control

3.1.2.1 Pursuant to the policy set forth in NPD 4200.1, Equipment Management, each NASA Center shall establish and maintain local procedures, meeting the NASA PP&E System requirements for the administrative control of equipment. The procedures should apply to all equipment classifications (use Federal Supply Classifications, as listed in the Federal Catalog H2 Series). Such equipment is referred to generically as controlled equipment. Center policies, at a minimum, meet the requirements of this section.

3.1.2.2 Centers shall control the following equipment:

a. Capital Equipment is defined as equipment with a value of at least \$100,000 and subject to the financial control, accounting, and reporting capitalization requirements of NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.

b. Non-Capital Equipment is defined as equipment with a value of at least \$5,000 and not subject to the capitalization requirements of NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.

c. Sensitive Equipment is the equipment due to its pilferable nature, or the possibility of it being a hazard, that requires a stringent degree of control. Sensitive items are items listed in NPR 4200.1, Equipment Management, Appendix C: Agency (NASA) Minimum Standard Sensitive Items List, with a value of \$500 or more. Weapons and hazardous equipment, or devices, shall be controlled regardless of their value, and equipment determined to be pilferable shall be controlled by the Center SEMO.

3.1.2.3 The Federal Supply Classification Codes, as listed in the Federal Cataloging Handbook H2 series, shall be used to classify all controlled equipment in the NASA PP&E System.

3.1.2.4 Centers shall establish control of equipment, within three to five days of receipt and acceptance, by marking the equipment with an Equipment Control Number (ECN) barcode tag and entering the required data into the NASA PP&E System.

3.1.2.5 Centers shall assign an ECN and control each system, subsystem, or part of a subsystem that meets the criteria for control and is supplied as a unit of controlled equipment on an acquisition document when:

a. Component equipment items of the system or subsystem are interchangeable.

b. Spare component equipment items are held for replacement of like component equipment items except when they are identified as Line Replaceable Units (LRU) in an inventory management system.

c. They are stocked in a supply management repair program that controls repairable equipment items by issue location.

3.1.2.6 When acquisition documents do not identify equipment to the component level, Centers should enlist the assistance of technical personnel to identify and establish whether component equipment items meet any of the qualifications for control as prescribed under Sections 3.1.2.2 and 3.1.2.4.

3.1.2.7 Contractor use of Government property at an onsite location is subject to the requirements of NASA FAR Supplement (NFS) clause 1852.245-71, IAGP, and the terms and conditions of its contract. NFS 1852.245-71 requires onsite contractors to observe and comply with NASA Procedural Requirements for property and supply management, as well as any stated Center procedures.

3.1.2.8 When controlled equipment is furnished to an offsite contractor, the contractor's records shall serve as NASA's "stewardship" or custodial records for that equipment in accordance with the FAR "Government Property" clause at 52.245-1 and contract requirements.

3.1.2.9 When controlled Government Furnished Property (GFP) is provided to an offsite contractor, the Center Equipment Manager shall deactivate the EMR in the NASA PP&E System by doing a "Transfer of Government Furnished Equipment (GFE) to a

Contractor," (Inactive Reason Code 67). The supporting (shipping) documentation is approved by the CO and forwarded to the Center Equipment Manager through the Center IPO.

3.1.2.10 When an offsite contractor reports that equipment is no longer required (disposal shall be done in accordance with FAR regulations) for the performance of the contract, NASA may opt for the following:

a. NASA chooses to use the property for performance of work at the NASA Center. The Center IPO shall coordinate the physical transfer and receipt of the property. On notification of receipt, the Center Equipment Manager should activate an EMR with the acquisition method 06 - "Receipt by Transfer - From Contractor" or reactivate the inactive EMR, using the same acquisition method, and place the items in the appropriate property custodial account.

b. NASA chooses to reassign the property from one offsite contract to another offsite contract. Only the equipment which meets the criteria for "Capital" shall be activated (or reactivated) using acquisition method 06 - "Receipt by Transfer - From a Contractor" to document in the NASA PP&E System that the equipment was returned to NASA's control. Subsequently, the EMR for the "Capital" equipment is deactivated as a "Transfer of GFE to a Contractor" (Inactive Reason 67) to the succeeding contract. Supporting transfer documents are approved by the CO and routed through the Center IPO.

c. NASA chooses to assign the GFP to a different Center for NASA's use. The Center Equipment Manager for the losing/transferring Center shall reactivate or activate the EMR (as necessary) for all controlled property and transfer the property to the gaining Center in the NASA PP&E System. The Center Equipment Manager at the gaining Center acknowledges receipt of the property in the NASA PP&E System. Afterwards, the gaining Center executes Section 3.1.2.10. a above.

d. NASA chooses to assign "Capital" GFP to an offsite contractor at a different Center. The Center Equipment Manager for the losing/transferring Center shall reactivate/activate the EMR (as necessary) for only those Capital EMRs and transfer the property to the gaining Center in the NASA PP&E System. The Center Equipment Manager at the gaining Center acknowledges receipt of the property in the NASA PP&E System. Subsequently, the EMR for the "Capital" equipment is deactivated as a "Transfer of GFE to a Contractor" to the succeeding contract. The supporting (shipping) documentation is to be approved by the CO and coordinated by the Center's IPO.

3.1.3 Non-Controlled Equipment

3.1.3.1 Non-Controlled Equipment is equipment having an acquisition cost of less than \$5,000 (excluding items which have been designated as sensitive items); including equipment acquired and used under outsourcing initiatives and managed under procedures established by the holding Center, in accordance with NPR 4200.1, NASA Equipment Procedural Requirements. Each Center shall develop internal procedures for managers, custodians, and users on the "what and how" of handling non-controlled equipment. Such equipment is processed with appropriate documentation after receipt.

3.1.3.2 Each item of non-controlled equipment shall be affixed with a "Property of U.S. Government" decal, NF 1517 or 1517A, except when not physically or technologically feasible. Smaller versions of the decal are also available for use on small items of non-controlled equipment. The use of NF 1517 on non-controlled office furniture is optional.

3.1.4 Experimental and Fabricated Equipment

3.1.4.1 Center equipment that is designed or fabricated and meets the criteria for controlled equipment shall be controlled as defined in Section 3.1.2.2, except equipment integrated with test articles being experimented on and subject to frequent configuration change. If an item configuration and use becomes stable and otherwise meets the criteria for controlled equipment, Centers establish equipment control in accordance with this chapter.

3.1.4.2 Centers shall monitor sources and locations of experimental and fabricated equipment to ensure that appropriate equipment control actions are accomplished when such equipment meets the criteria for control.

3.1.5 Equipment Located at NASA Centers Other Than the Funding Center

3.1.5.1 The Center that owns the equipment is responsible for equipment control and accountability, regardless of geographical separation from the funding or acquiring Center except under short-term loans (3.4.7) of equipment for tests, inspections, and other uses.

3.1.5.2 The Center responsible for administration of a contract is responsible for control and accountability of equipment furnished to that contract.

3.1.6 Equipment Directly Delivered to Nonfunding Centers

3.1.6.1 When equipment is directly delivered to another Center, the Center responsible for the procurement of the equipment shall control the equipment until accountability and control are transferred to and accepted by the Center that received the shipment.

3.1.6.2 Establishing Control:

a. The receiving Center is responsible for the security of received property, regardless of the funding or procuring Center.

b. The procuring Center's SEMO shall provide all available acquisition information to the receiving Center's SEMO when they become aware of situations in which equipment acquired by their Center procurement activity is directly delivered to another Center. If the procuring Center differs from the funding Center, the procuring Center's SEMO also provides all available acquisition information to the funding Center's SEMO.

c. Once the receiving Center's SEMO receives the equipment and sends a copy of all receiving and inspection documentation to the funding Center's Equipment Manager, the receiving documentation should contain sufficient information to establish an EMR in the NASA PP&E System (See Sections 3.1.2.2 and 3.1.24).

d. The funding Center's Equipment Manager shall add the equipment item(s) to the NASA PP&E System according to, and on receipt of, the receiving and inspection documentation.

e. As soon as possible after processing receipt of the item, the funding Center's Equipment Manager processes a transfer action to the receiving Center.

f. The receiving Center's Equipment Manager processes a transfer action in the NASA PP&E System to receive the transferred property from the funding Center. The receiving Center's Equipment Manager shall retain the receipt and inspection form and contract or

purchase order as the authorizing source documents.

g. The receiving Center shall return appropriate documentation to the funding Center's Equipment Manager to acknowledge receipt and acceptance of the equipment.

3.1.6.3 The receiving Center shall report (to the funding Center Equipment Manager) that the equipment has been received, accepted, and tagged. The funding Center's Equipment Manager should immediately create an EMR in the NASA PP&E System using the acquisition method "Purchase by NASA, Receipt by Purchase - NASA funded," and using the contract or purchase order as the authorizing source document. Afterwards, the funding Center Equipment Manager puts the EMR into a transfer status. The receiving Center completes the transfer by taking the EMR out of transfer status.

3.1.7 Equipment Found on Station (FOS)

3.1.7.1 The Center SEMO shall take immediate action to establish equipment accountability and control of all items found that meet the control criteria but that are not controlled in the Center's equipment records.

3.1.7.2 The Center SEMO is responsible for ensuring that a documented investigation is conducted for each case to determine the circumstances that allowed the equipment to be onsite (at the Center) without equipment management control. NF 1618, Found on Station Equipment Investigation, shall be used to document the circumstances and investigations (instructions are contained on the reverse side of the form).

3.1.7.3 Upon conclusion of the investigation, the SEMO should analyze all findings and facts developed and forward a report to senior management, if necessary, recommending corrective actions necessary to prevent similar occurrences.

3.1.8 Classified Equipment

3.1.8.1 The NASA PP&E System shall be used throughout the Agency to identify, control, and account for Government-owned equipment acquired by or in use by NASA, which includes equipment that processes national security information and meets the parameters established by NPD 4200.1, Equipment Management.

3.1.8.2 The only exceptions are Communications Security (COMSEC) materials and equipment, which are addressed in Section 3.1.8.5, and national security systems equipment deemed to be classified having Operations Security (OPSEC) impact. In such cases, only the NASA Principal Accreditation Authority (PAA) exempts such equipment from the NASA PP&E System, which shall be documented and placed in the applicable System Security Authority Agreement /System Security Plan (SSAA/SSP) and requires from the NASA Designated Approval Authority/Certifying Authority (DAA/CA) to implement equipment accountability equivalent to, or more stringent than, the NASA PP&E System.

3.1.8.3 When equipment that processes national security information is placed in the NASA PP&E System, the tagging and tracking of national security systems equipment shall be done in such a way as to not divulge the security characteristics of the system or national security information itself.

3.1.8.4 OPSEC shall be factored into the accounting process and dictate the specifics. National security systems are appropriately sanitized prior to access for tagging and accounting requirements by Center Equipment Management personnel. Classified magnetic media or National Security System (NSS) output is not placed into the NASA

PP&E System.

3.1.8.5 COMSEC materials and equipment (e.g., secure telephones) protect our Nation's most sensitive national security interests. This type of equipment requires special processes, special clearances, and special access. Only individuals with a need-to-know basis and holding an active security clearance at the appropriate level shall have access to this type of equipment. Therefore, NASA COMSEC materials and equipment participate in the national Consolidated Material Control System (CMCS) process for accountability and are not to be recorded into the NASA PP&E System.

3.1.9 Furniture and Furnishings. Office furniture and furnishings under \$5,000 are non-controlled items and shall be tracked in accordance with the Center's policies for non-controlled property (See Sections 2.1.10 and 3.1.3).

3.1.10 Vendor-Owned Equipment Onsite. In the instance when a vendor installs or uses vendor-owned equipment at a NASA Center, and retains title, such equipment is clearly identified as being the property of that vendor.

3.1.11 Centers that allow employee-owned equipment onsite shall ensure in local policy that such equipment is clearly identified as being the personal equipment of the employee with the purpose to establish accountability.

3.1.12 Contractor Equipment Onsite. Pursuant to NASA FAR Supplement 1852.245-77, contractors shall secure a written consent from their responsible COs prior to the use of equipment owned or leased by the contractors at a NASA facility, or of the use of other equipment for which the contractors are accountable under any other Government contracts.

3.2 Controlled Equipment Accountability

3.2.1 Purpose. This section sets forth requirements for establishing and maintaining effective controlled equipment accountability that provides a continuous audit trail of an item from receipt until transfer of accountability or disposal.

3.2.2 ECN. Each item of controlled equipment shall be physically identified with a singular ECN (See Section 3.2.4).

3.2.3 ECN Register. Each Center shall establish and maintain an ECN register. The SEMO uses the register to control the distribution of ECNs. The register includes the following data: ECN, the signature of person(s) accepting the blocks of tags prior to assignment, and date assigned.

3.2.4 Tagging of Equipment. Each item of controlled equipment, to include Flight Hardware Class I, Class II, and Class III, shall be affixed with an ECN (tag) upon receipt, inspection, and acceptance at the Center. This ECN is affixed by means of an Equipment Control Tag, or a mini Equipment Control Tag for small components, and firmly affixed in a conspicuous place, preferably on the front of the item. The ECN is legibly etched, engraved, or marked with a permanent marker on items not conducive to the application of tags.

3.2.4.1 Assets that cannot be physically tagged due to form, fit, and/or function are tagged using a virtual tagging process. This process shall be applied by exception only and could include putting the tag on a printed hardcopy of the item's EMR, picture, or other traceable document.

3.2.4.2 For virtual tagging, the user shall submit a written request with a detailed justification to the SEMO for approval. 3.2.5 Reconciliation, Adjustment, and Reporting of Property Records and Financial Account Balances.

3.2.5.1 The Center Finance Property Accountant shall be informed of changes of property capital equipment via the NASA PP&E System by performing a review of the EMR/AMR Integration Report.

3.2.5.2 The Center SEMO shall assist the Center Finance Property Accountant, as needed, during periodic financial analyses.

3.2.6 Control of Documents. The Center shall develop detailed procedures to ensure that all documentation and actions affecting the accountable records (such as activations, deactivations, and cost adjustments) are serially controlled and processed promptly. Since the NASA PP&E System does not generate an equipment reference number for supporting documents, the source documents, including those for the inventory subsystem, should be annotated/compiled and indexed by Date (day/mo/year) and ECN sequence and archived on a routine basis. The Center's Equipment Manager ensures that copies of this documentation are maintained in accordance with NPD 1441.6, NASA Records Management, and NPR 1441.1, NASA Records Retention Schedules.

3.2.7 Receiving and Inspection of Equipment. Each Center shall establish a centralized receiving location for the processing of controlled items.

a. All qualified personal property purchased and processed through central receiving is tagged when applicable (upon official receipt) regardless of procurement method unless opening the package voids the warranty. In those situations, the SEMO shall establish procedures to ensure those items are tagged upon opening of the package at the point of destination.

b. Upon receipt of purchased equipment and prior to acceptance, an inspection is conducted to ensure that the items received are consistent with the requirements of the acquisitions documents. The equipment should be inspected for possible damage and defects.

c. Accountability shall be established for controlled equipment by preparing the documentation necessary for entering the equipment data into the NASA PP&E System. Equipment delivered on a Department of Defense (DD) Form 250, Material Inspection and Receiving Report, or equivalent acceptance document or method, shall be fully priced per line item. An incomplete DD Form 250 should be referred to the appropriate CO for correction. The assigned ECNs are to be annotated on the receipt and inspection report along with any serial numbers, model numbers, or other appropriate identifying markings.

3.2.7.1 Other receipts of equipment shall be received and reviewed against the accompanying shipping documentation and, if accountable to the Center as controlled equipment, assigned an ECN the same as purchased equipment. Controlled equipment received as a transfer from another NASA Center retains the ECN assigned by the initial acquiring Center.

3.2.7.2 Equipment entering the Center on loan or lease shall be handled and identified as required (See Section 3.4.5).

3.2.7.3 For direct deliveries of equipment, regardless of the acquisition method (to include credit card purchases), the user shall request the item to be tagged via N-PROP, or immediately notify the corresponding property custodian, central receiving, or the equipment manager in accordance with the Center's policies. Each Center establishes internal procedures to ensure that items delivered directly to the user are properly controlled and tagged. This would include hazardous material controls, if appropriate.

3.2.8 Shipment of Equipment. Equipment to be hand-carried or shipped from the Center shall be documented and coordinated with the SEMO prior to the physical movement of the equipment to ensure that the proper actions and any adjustments are made in the NASA PP&E System.

3.2.9 Removal of Tags and Other NASA Identification

3.2.9.1 For NASA-held property, the NASA Equipment Control Tag shall be removed or obliterated when NASA-controlled equipment permanently leaves NASA custodial responsibility.

3.2.9.2 For equipment shipped to contractors as GFE under their contracts, the Equipment Control Tags or other NASA identification shall not be removed from the equipment.

3.2.9.3 Other forms of NASA identification, including, but not limited to, NASA forms 1517 and 1517a, Property of NASA, U.S. Government decals need not be removed at, or during disposition.

3.2.9.4 The removal of NASA equipment control decals, as required by NPR 4200.1, is accomplished by the recipient of the property, when such action is required as a condition of disposition transfer, donation, or sale.

3.2.10 The removal of equipment from the Center for repair under the terms of the warranty. The Center shall maintain control over equipment that is removed from the Center for repair, calibration, or under the terms of the purchase warranty in accordance with the Center's procedures.

3.3 Equipment Loans

3.3.1 Purpose. This section sets forth the authority, requirements, responsibilities, and procedures for authorizing and accomplishing the loan of NASA equipment. This section does not apply to the equipment loan policy for NASA employees or Center support contractors.

3.3.2 Policy. Loans made external to NASA shall be made by an appropriate instrument/(legal documentation). These loan agreements are reviewed by the Office of the Chief Counsel (for equipment at a Center) or the Office of the General Counsel (for equipment at Headquarters) and other appropriate officials and approved by the Center SEMO in accordance with the provisions or procedures of NPD 4200.1, NASA Equipment Management, and NPR 1387.1, NASA Exhibits Program. 3.3.3 Procedures

3.3.3.1 Any NASA employee receiving a request for the external loan of NASA equipment shall refer the request to the Center SEMO. Contact requests received regarding proposed loans shall be made far enough in advance to permit orderly review and approval of the request and timely preparation of the necessary documentation.

3.3.3.2 The SEMO shall coordinate loan requests with the user organizations. The division director or designee should certify that the equipment to be loaned is released without adversely affecting Center requirements.

3.3.3.3 When the concurrence of the authorizing official has been obtained and the loan is to be made external to NASA, the SEMO shall determine the appropriate method for accomplishing the loan.

3.3.3.4 If the loan is to be made from one NASA Center to another NASA Center, it is considered internal and referred to as a "borrow" in the NASA PP&E System.

3.3.3.5 If the loan is effected pursuant to the terms of any other type of agreement, the loan documents, correspondence, subordinate loan agreements, and shipping documents shall be approved by the SEMO.

3.3.3.6 If the loan is to be effected with any foreign government or organization, it should be approved by the Office of External Relations, NASA Headquarters and NPR 2190.1, NASA Export Control Program.

3.3.3.7 The actual physical movement of the equipment shall be coordinated with the Center SEMO.

3.3.3.8 For each loan, the SEMO shall ensure that a case file is established containing appropriate copies of authorizing agreements and all other pertinent supporting documentation.

3.4 Loan of Equipment to Government and Non-Government Organizations

3.4.1 NASA equipment is available to be loaned to Government and non-Government organizations, private individuals, corporations, or other entities, provided the loan is in the public interest and meets the following criteria:

- a. The borrower has both the facilities and capability to secure and safely operate the equipment, including the submission of training/certifications to operate the equipment.
- b. The loan is temporary.
- c. It benefits the Government.
- d. The borrower acquires no rights to the equipment.
- e. The equipment is not modified (if modifications are required, deviations should be obtained).
- f. The Center SEMO approves and, where applicable, the Office of the Chief Counsel (or the Office of the General Counsel for Headquarters property) concurs.

3.4.1.2 Custodian records of loaned or borrowed equipment are maintained by the lending property custodian. All loans offsite of the Center shall be made as prescribed in this NPR.

3.4.1.3 Loans made for the purpose of public display, such as to museum and special events, are addressed in NPR 1387.1, NASA Exhibits Program, and copies of the loan agreements shall be provided to the Center SEMO.

3.4.2 Policy and Procedures for the Loan of NASA Equipment to Profit- Making Organizations for Purposes Not Covered in a Procurement Contract or Other Agreement.

3.4.2.1 NASA equipment is available to profit making organizations when authorized by the Space Act and specified in the loan agreement. Equipment loans under this paragraph shall be authorized and approved by the Center's Director or designee.

3.4.2.2 Before an equipment loan is accomplished, the following shall be included in the supporting loan file:

- a. A statement from the user organization that release of equipment does not adversely impact the organization's operations.
- b. Documentation of coordination with the Center Procurement Officer to ensure that the user does not receive an unfair competitive advantage for a Government contract.
- c. A determination of whether monetary consideration is required for use of the property.

3.4.2.3 Each loan and its supporting file shall be concurred on and approved by the Office of the Chief Counsel (or the Office of the General Counsel, as appropriate) before execution by the Center SEMO or designee.

3.4.2.4 NASA Headquarters, Logistics Management Division shall be provided executed copies of all loan agreements involving equipment costing \$100,000 or more.

3.4.3 Inventory Control of Loans (Other Than Employee Loans) and Leases

3.4.3.1 The authorizing officials shall ensure that each loan agreement does not exceed one year. A provision shall be established requiring the borrowing activity (to which the loan was made) to report and provide annually to the lending Center SEMO, on the anniversary date of the loan, a recertification statement. The recertification statement contains the identification number assigned to the equipment, its description, current location, date physically sighted, current use, and validation of the requirement for continuation of the loan.

3.4.3.2 The SEMO or designee shall develop and maintain a suspense system for loans and leased equipment to ensure that equipment is returned or leases are extended. An Out Status Expiration Report from Business Warehouse in the NASA PP&E System can be generated to review the status and expiration of loans or leased equipment. If loan extensions are determined to be necessary, the loaning official submits a recertification statement. Authorizing officials review and certify extensions of expired leases before renewal to ensure outgoing leases do not exceed temporary-use policy.

3.4.4 Control of Incoming Loans and Leases

3.4.4.1 All incoming loans and leases of equipment that meet the criteria for control, regardless of source, shall be processed at the time of receipt by the SEMO with the following exceptions (not be recorded in the NASA PP&E System):

- a. Equipment under NASA-wide contracts, such as cost-per-copy-service contracts
- b. Equipment provided under seat contracts, in which a service is acquired by the Agency, and the property is owned by the contractor, incidental to the service
- c. GSA retains ownership to GSA vehicles leased by NASA. GSA-leased vehicles shall

be accounted for in the NASA fleet management system.

3.4.4.2 Any non-government organization loaning or leasing equipment to NASA shall have a written agreement with NASA, stating the loan purpose and period. Before the loan is finalized, the SEMO submits the document governing the loan or lease of the equipment to the Office of Chief Counsel for review.

3.4.4.3 All loaned or leased equipment meeting the criteria for control shall be entered in the NASA PP&E System in accordance with the following requirements:

- a. Equipment identified in writing for lease or loan for 60 calendar days or less need not be accountable in the NASA PP&E System if appropriate documentation is on file in the equipment organization and the equipment is physically identified as belonging to the activity. The NASA activity to which the loan or lease was made is responsible for returning the equipment, through the equipment organization, within 60 calendar days.
- b. For equipment (loaned or leased for at least 60 days) meeting the control criteria, adequate controls shall be established by processing a Receipt from "Loan In" or a Receipt by "Lease In" in the NASA PP&E System, as applicable.
- c. The recorded acquisition cost on the EMR for incoming loaned and leased items is the estimated original acquisition cost.
- d. The Center Equipment Manager shall obtain from the NASA PP&E System (Business Warehouse) a Lease/Loan In Expiration Report, monthly. This report generates all incoming loans and leases due to expire within a selected date range. The using official reviews the loan or lease requirement and arranges for return of the loaned or leased equipment or requests an extension of the loan from the authorizing official or leasing organization.

3.4.4.4 Leased equipment is subject to capitalization if the original acquisition cost (value of asset, not value of lease) is \$100,000 or more as determined by the Finance Property Accountant.

3.4.4.5 All incoming leased equipment shall be reviewed by the financial management organization to determine when capitalization requirements apply. When a leased item is not subject to capitalization, the Center Equipment Manager shall be notified to remove the link to the AMR.

3.4.5 Identification of Equipment on Loan or Lease to the Center. Each Center shall affix a loan/lease tag to incoming loaned or leased equipment at the time of receipt to show clearly that such equipment is not owned by the Center.

3.4.6 Leased Equipment Converted to Purchase. When NASA takes title to a leased item, the lease tag should be replaced with an Equipment Control Tag and a Convert Lease to Purchase to the EMR in the NASA PP&E System shall be executed.

3.4.7 Control of Internal Loans between NASA Centers. The term "Center Borrow" in the NASA PP&E System is used to track equipment from one Center to another Center for temporary use. The owning NASA Center sending the equipment to another Center shall change the location information and out status information on the EMR in the NASA PP&E System to reflect the equipment is in an "Out Status - Center Borrow." When the borrowed equipment has been returned, the owning Center updates the EMR in the NASA PP&E System to reflect the equipment is no longer in an out status. The SEMO, the Center Equipment Manager, or designee, initiates NASA Center's equipment loan

requests through locally established documentation. Also, the "Out Status Expiration Report" from the NASA PP&E System (Business Warehouse) is generated to monitor equipment return dates.

3.5 Removal and Use of Equipment by Employees

3.5.1 Purpose. This section describes procedures and responsibilities for the removal and use of Government equipment offsite (controlled and non-controlled) by NASA civil service or onsite contractors.

3.5.2 General Policy

3.5.2.1 Loans of equipment for use at home or for telecommuting initiatives should be necessary or beneficial to the conduct of NASA's missions or other official Government purposes.

3.5.2.2 External loans (outside of NASA) in the NASA PP&E System refer to temporary loans from or to non-NASA entities. Equipment temporarily loaned to employees for use at home or elsewhere, when the authorizing official determines it is necessary or beneficial in the conduct of NASA's missions or other official Government purposes, shall be processed as a "borrow" in the NASA PP&E System.

3.5.2.3 Determinations shall be made in writing and specify the loan purpose and duration. Extensions should be requested prior to the expiration date of the loan. Equipment is returned when the specified purpose for the loan is no longer valid or at the end of the approved loan period, whichever is earlier. Flexible workplace agreements contains provisions for long term equipment loan to individual employees. Equipment loaned in this manner need not be returned for inventory/inspection until the agreement is terminated.

3.5.2.4 Employee loans shall be issued for an initial period of up to six months or, if shorter, upon completion of the project. Renewal beyond the initial six-month period is reviewed by the division director and approved by the SEMO. If the equipment is required beyond 12 months, the employee submits a written explanation requesting continued use of the item. The request is forwarded to the appropriate approving authority, using the original loan number and data from the original request.

3.5.3 Approval to Remove Equipment

3.5.3.1 Approval to remove equipment from the Center for offsite use by a NASA employee shall be granted by the division director and approved by the Center Equipment Manager, provided the request is in accordance with the policy of this paragraph and Center policy. The division director also provides certification that removal of the property does not adversely affect the performance of official duties in the division by the requesting employee or any other division employee and that the equipment being removed is not excess equipment. For on-site contractors, the additional approval of the Contracting Officer's Technical Representative (COTR) and the CO is required before removal.

3.5.3.2 Failure to meet these policy requirements can lead to disciplinary action or financial liability for the employee, especially if loss, damage, destruction, or theft occurs during the removal period regardless if the theft, loss, damage, or destruction occurred onsite or offsite of the Center.

3.5.4 Procedures

3.5.4.1 Prior to the removal of Government-owned equipment from a NASA Center (for offsite use), the requester shall perform the following:

- a. For Short-Term Loans (not to exceed 30 days): Loans shall be documented using NF 892, Property Pass Request and Removal Permit, or equivalent. The Center policy determines the length of time for the pass (i.e., telework each time or over a specific period).
- b. Loans exceeding 30 days (but less than 180 days) shall be documented using a Center loan agreement between NASA and the loan employee.
- c. Loan documentation shall indicate the requester's name and organization identification, the purpose for use and removal of the equipment, and an explanation of why the official use cannot be accomplished onsite during normal business hours. Loan agreements are approved by the division director and concurred on by the Center Equipment Manager.
- d. The requester submits the NF 892 to the property custodian for signature. A copy of the NF 892 or the loan agreement is retained by the applicable property custodian until return of the equipment has been verified.
- e. The requester returns the equipment by the return date shown on the NF 892 or loan agreement or requests an extension beyond the originally approved period. The extension is submitted in writing to the division director and submitted to the Center Equipment Manager for final approval.

3.5.4.2 Loans of controlled equipment exceeding 30 days. The Center Equipment Manager changes the location information and out status information on the EMR in the NASA PP&E System to an "Out Status - Same Center Borrow." When the property is returned, updates the out status as returned.

3.5.4.3 Loan agreements shall specifically detail the responsibilities of the employee with regard to the proper care and treatment of the equipment and clearly state that the employee is subject to disciplinary action or financial liability resulting from the loss, damage, destruction, or theft of the property if negligence, wanton, or willful misconduct is proven.

3.5.4.4 Employees shall notify the responsible property custodian when the borrowed equipment is returned. The property custodian provides appropriate notification to the Center Equipment Manager.

3.5.5 Limited Personal Use of Government Office Equipment, Including Information Technology

3.5.5.1 In accordance with NPD 2540.1, Personal Use of Government Office Equipment Including Information Technology, NASA employees are authorized the use of Government office equipment for personal needs if the use does not interfere with official business and involves minimal additional expense to the Government. This limited personal use of Government office equipment should not take place during the employee's scheduled work time, with limited exceptions, including brief exchanges of information with doctors' offices, car repair shops, child care facilities, and schools during their establishment's regular office hours. Employees are specifically prohibited from using Government office equipment to maintain or support a personal private

business or to assist relatives, friends, or other persons in such activities. For further definition of "Limited Personal Use," employees are encouraged to review NPD 2540.1, Personal Use of Government Office Equipment Including Information Technology, or contact their Center Equipment Manager.

3.5.6 Shipping Equipment by Center. The NF 892 shall not be used in lieu of a shipping document. In cases where shipment by the Center is required, a properly prepared shipping document accompanies the equipment. A shipping document is prepared for items of equipment that are hand-carried.

3.6 Equipment Use

3.6.1 Purpose. This section establishes requirements for the use, custody, care, and reporting of controlled equipment while in the hands of using organizations.

3.6.2 Property Management Areas

3.6.2.1 Appointed property custodians shall ensure that effective management controls are in place for the areas where controlled equipment is maintained. The SEMO is required to establish a property custodial account number for each area. The custodian account number identifies all controlled equipment assigned within the area for which the management of the user organization is responsible.

3.6.3 Assignment and Responsibilities of Property Custodians

3.6.3.1 A property custodian shall be assigned for each defined property management area. The duties of the property custodian are set forth in NPR 4200.2, NASA Equipment Management Manual for Property Custodians.

3.6.4 All equipment shall be assigned to a user.

3.6.4.1 The assigned user assumes responsibility for stewardship of the equipment in accordance with Appendix I (User Responsibility for Safeguarding Government Property) of this NPR. The user can use N-PROP (the Web-based front end of the NASA PP&E System) to update equipment records, as appropriate, or report any changes of status, location, or user to the responsible property custodian.

3.6.4.2 Users can access N-PROP via i-View or via direct Internet access in the NASA PP&E System. N-PROP provides users the ability to: accept or reject receipt for equipment and to cancel a pending property action; view assigned property, as well as history; update property location; transfer property from one property custodian account to another property custodian account; generate a property pass; request property control tags; and request excess of controlled equipment.

3.6.4.3 Users receive an e-mail to notify them of any new equipment assigned to them and have to accept or reject the assignment.

3.6.4.4 Users are NOT authorized to delegate their acceptance of property.

3.6.4.5 To accept, users acknowledge receipt by one of the following methods:

a. Accepting responsibility in N-PROP (Actions Tab on Home Page, then Accept or Reject Tab).

b. Printing out the e-mail notification, signing it, and returning a signed copy to the property custodian.

c. Signing a User's Acceptance Form and returning a signed copy to the property custodian.

3.6.5 Walk Through Inspections

3.6.5.1 Walk through inspections are required by FPMR Section 101-43.101 and 40 U.S.C Section 524(a) (2), and shall be performed by each division director, or designee, accompanied by the property custodian. The walk through inspection includes all locations both onsite and offsite for each property management area; identifying inactive or underused equipment (for internal re-use by NASA) that is no longer required or which is expected to become inactive in the near future. The equipment is routinely inspected to ensure that scheduled or necessary maintenance is being performed and that the equipment is up to date and in keeping with established performance requirements.

3.6.5.2 Each item in the NASA PP&E System that is identified as no longer needed or excess, including those in storage facilities, shall be reported to the Center Equipment Manager.

3.6.5.3 A Memorandum for the Record, covering the results of the walk through, shall be prepared by the division director. A copy is maintained on file by each property custodian for each property management area, and a copy is forwarded to the SEMO.

3.6.5.4 The SEMO shall prepare a report annually for the Center Director, describing the walk through program and results.

3.6.6 Sensitive Equipment Items

3.6.6.1 Generally, equipment items that have an acquisition cost of \$500 or more and are easily pilferable or desirable for personal use shall be identified as sensitive equipment. Also, weapons and other potentially hazardous equipment items, that are dangerous in nature, are controlled as sensitive, regardless of cost or value. Some items of historic significance, regardless of historical value, also are considered sensitive. Sensitive items are indicated with the high-risk flag on the EMR in the NASA PP&E System.

3.6.6.2 Items identified in Appendix C of this NPR shall be controlled as sensitive. Additionally, Center policy can prescribe more rigorous requirements than Agency policy but cannot prescribe less rigorous policy. For example, you could choose to control a camera even if it is less than \$500. However, if it is more than \$500, it is controlled. The Center SEMO submits a request to NASA Headquarters to add items to Appendix C, Agency's Minimum Standard Sensitive Item List, with detailed justification to support the item(s) being considered sensitive. Approval or disapproval is made by the NASA Headquarters, Director, Logistics Management Division.

3.6.6.3 Each property custodian shall establish the following special controls for the sensitive items that have been identified in their respective custodian account(s):

- a. Sensitive items are assigned to a user in the NASA PP&E System.
- b. The user assumes responsibility for the surveillance of sensitive items (Appendix I, User Responsibility for Safeguarding Government Property) and secures these items when not in use.
- c. The user updates the EMR for sensitive items through N-PROP, or by contacting the responsible property custodian for changes of equipment status, location, or user.

- d. Sensitive items should not be out of the possession or control of the person to whom they are assigned.
- e. All loans of sensitive items are revalidated as policy requires; however, sensitive items in Center-wide pools are exempt from this revalidation requirement.
- f. The assigned user shall be able to produce all sensitive items not on current documented loan for inventories.
- g. Due to their inherent potential for being pilfered, special care should be taken to ensure that underutilized or idle sensitive items are properly secured or turned in as excess when no longer required.

3.6.6.4 The SEMO shall annually perform a 20-percent random sample physical inventory of the Center's sensitive items. This requirement does not apply if the Center is performing the annual wall-to-wall physical inventory of all its controlled property.

3.6.6.5 The 20-percent random sample physical inventory of sensitive items shall be performed by property management personnel or contractor representatives. This inventory shall verify that special controls have been established and that all the sensitive items listed on the sample are accounted for, as required. The SEMO utilizes listings of sensitive items generated by the NASA PP&E System to obtain the sample inventory.

3.6.6.6 If a custodian account cannot produce all of the sensitive items listed on the sample inventory within seven working days after the inventory, the Center Equipment Manager shall require a 100-percent physical inventory of all sensitive items for that custodian account.

3.6.7 Cannibalization of Equipment

3.6.7.1 With prior written request from the responsible division director, equipment is cannibalized when justified to fulfill equipment requirements. Written approval from the SEMO is obtained prior to disassembly of equipment. This approval is documented using NF 1617.

3.6.7.2 Requests shall include the equipment control number and a brief description to include the item name, manufacturer, model number, serial number, date of manufacture (if known), and value of the item to be cannibalized. Additionally, requests shall include a brief statement as to the reason for the cannibalization and whether or not the cannibalized item is retained for future use. Cannibalization or modification requirements do not apply to the removal and replacement of system components for operational purposes.

3.6.7.3 An approved NF 1617 shall be submitted to the Center Equipment Manager for appropriate adjustment of the equipment control record. Any residual, unused materials are turned-in for reutilization or disposal. When cannibalized capital equipment is removed from the NASA PP&E System, the Center Finance Property Accountant is informed of the adjustments to capital equipment via the NASA PP&E System by performing a review of the EMR/AMR Integration Report.

3.6.7.4 In those cases where an item that has been modified, and only the value has changed, the new value for the item is still reported to the Center Equipment Manager on NF 1617 for adjustment of the equipment control record. The Center Finance

Property Accountant is informed of changes of property capital equipment, via the NASA PP&E System, by performing a review of the EMR/AMR Integration Report.

3.6.7.5 Normally, equipment available from other NASA Centers, contractors, or other Government agencies is not acquired solely for cannibalization. Exceptions to this rule require directorate or higher level approval. The Center Equipment Manager maintains the approval document in accordance with NPD 1440.6, NASA Records Management, and NPR 1441.1, NASA Records Retention Schedules.

3.6.8 Retention of Inactive Equipment. The nature of NASA operations occasionally makes it desirable to retain equipment, not in current use, for a specified time for other potential needs before further disposition. Inactive equipment is retained by the Center for one of the following specific purposes and under the conditions indicated below: (The NASA PP&E System does not have a status for equipment which is retained under the below circumstances. The SEMO develops a method to track equipment which is inactive).

3.6.8.1 Firm Future Requirement. A firm future requirement is considered a specific purpose for equipment retention, provided that the equipment has been identified for use on a project, program, or other work activity, the planning of which has been approved by the Center Director. All equipment held for firm requirements shall be recertified annually by the director of the owning organization.

3.6.8.2 Heritage Asset. Equipment is only classified as a heritage asset if it meets one or more of the following criteria (see NASA Property, Plant, and Equipment and NPR 9250.1, Operating Materials and Supplies, for Heritage information):

- a. Historical or natural significance.
- b. Cultural, educational, or artistic (e.g., aesthetic) importance.
- c. Significant architectural characteristics.

3.6.8.3 Retention of equipment designated by the Center Director for emergency standby purposes should be justified. The director of the owning organization, for continued retention, reviews this equipment annually.

3.6.9 Reporting and Control of Inactive Equipment Retained by NASA Centers

3.6.9.1 Inactive equipment shall be reported to the SEMO for further processing in accordance with existing storage requirements:

- a. The turn-in document is annotated to reflect the purpose for retention and the length of time the equipment is to be held.
- b. The equipment documentation reflects pertinent data relating to the designation of the equipment, including the results of cyclic review and recertification.
- c. The NASA PP&E System does not have a status for equipment which is retained as inactive equipment. The SEMOs should develop a method to identify equipment which is inactive.
- d. Equipment that is not readily movable or is specifically located for emergency purposes should be held in place and labeled or tagged to indicate that it is inactive.
- e. For continued retention of inactive equipment, an annual written recertification shall be

provided by the division director or designee of the storing organization.

f. The SEMO shall submit, monthly, a list of all inactive equipment (for example, heritage assets, firm-fixed future requirements or equipment in storage) to the Deputy Chief Financial Officer for removal of the item from the financial records. The SEMO is to annotate the inactive asset classification (e.g., heritage asset) on the monthly listing provided to the Office of Chief Financial Officer.

3.6.10 Unconditional Donations of Property to NASA from Entities other than Federal Agencies

3.6.10.1 NASA accepts unconditional donations of property from external entities (i.e. private industry, academia) provided that the external entity submits a written statement to the Center indicating that the donation is unconditional.

a. The written statement from the external entity should also specify the property being donated to include an item description, model number, serial number, and fair market value.

b. Additionally, the NASA technical organization requesting the property should submit a justification to the Center Equipment Management stating how the property is to be utilized. The written statement from the external entity, along with the justification from the technical organization, is submitted to the Center Equipment Management organization.

c. The Center Equipment Management Officer reviews the statement from the external entity and the justification from the technical organization. If the justification indicates that the property is actively utilized, all documentation is forwarded to the Center's Office of the Chief Counsel for review. If the Office of the Chief Counsel indicates there is no legal reason why the property cannot be accepted, SEMO approval is obtained. After SEMO approval, the entity is notified to release the property to NASA. Once received by the Center, the property is processed in accordance with this NPR.

3.6.11 Artifacts

3.6.11.1 The handling of artifacts shall follow the procedures stated in NPR 4310.1, Identification and Disposition of NASA Artifacts.

3.6.11.2 An artifact is only considered a Heritage Asset if it meets one of the following criteria (see Property, Plant, and Equipment and Operating Materials and Supplies, NPR 9250.1 for Heritage information):

a. Historical or natural significance.

b. Cultural, educational, or artistic (e.g., aesthetic) importance.

| [TOC](#) | [Preface](#) | [Chapter1](#) | [Chapter2](#) | [Chapter3](#) | [Chapter4](#) |
| [Chapter5](#) | [AppendixA](#) | [AppendixB](#) | [AppendixC](#) | [AppendixD](#) |
| [AppendixE](#) | [AppendixF](#) | [AppendixG](#) | [AppendixH](#) | [AppendixI](#) | [ALL](#)
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